



State of Utah

Department of  
Natural Resources

MICHAEL R. STYLER  
Executive Director

Division of  
Oil, Gas & Mining

JOHN R. BAZA  
Division Director

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

Representatives Present During the Inspection:

OGM	Pete Hess	Environmental Scientist III
OGM	April Abate	Hydrologist
OGM	Priscilla Burton	Environmental Scientist III
OGM	Ingrid Wieser	Environmental Scientist II
Company	David Shaver	Manager

## Inspection Report

Permit Number:	C0070019
Inspection Type:	PARTIAL
Inspection Date:	Thursday, July 02, 2009
Start Date/Time:	7/2/2009 9:30:00 AM
End Date/Time:	7/2/2009 3:00:00 PM
Last Inspection:	Wednesday, June 03, 2009

Inspector: Pete Hess, Environmental Scientist III

Weather: Warm, overcast, 80's. Thunderstorms forecast.

InspectionID Report Number: 2054

Accepted by: jhelfric

7/9/2009

Permittee: **ANDALEX RESOURCES INC TOWER DIVISION**

Operator: **ANDALEX RESOURCES INC TOWER DIVISION**

Site: **CENTENNIAL MINE**

Address: **6750 AIRPORT RD, PO BOX 902 PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

6,528.83	Total Permitted
47.19	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal  
 State  
 County  
 Fee  
 Other

Types of Operations

- Underground  
 Surface  
 Loadout  
 Processing  
 Reprocessing

**Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:**

The Division initiated a mid-term permit review of the Centennial Project mining and reclamation plan on May 7, 2009, as Task ID # 3276. A site visit was scheduled for July 2, 2009.

Issues identified by the Division prior to the site visit included the following;

- 1) the status of the ground water monitoring well located adjacent to the covered air shaft in Deadman Canyon;
- 2) the status of the Aberdeen Mine at Centennial as far as future mining;
- 3) the status of the degasification wells which were permitted to enhance the Mines ventilation systems. Some of the wells have been allowed to remain open, with venting volumes being sold to OSO Energy.

Mining activities at the Aberdeen Mine were ceased on March 28, 2009. All equipment has been extracted from the Mine and it has been sealed, both inside at the longwall panel gate roads, and at the Mines portals.

Mr. Shane Campbell, Scamp Excavation, was available to assist in answering questions for the Division.

Inspector's Signature: \_\_\_\_\_

*Pete Hess*

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date \_\_\_\_\_

Tuesday, July 07, 2009

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **1. Permits, Change, Transfer, Renewal, Sale**

Approval for a reduction of permit area for a gas well and pipeline operated by a third party (OSO Energy) was approved October 9, 2008 (see task 3049). The area removed from the permit is illustrated on Figure 1-2A and described in Appendix Z. OSO holds four well permits in T12S R11E, Sec 31 in the location that was removed from the Centennial MRP. According to Mark Jones, Division O&G inspector, OSO has not applied for a permit for any of the methane degas wells that were drilled by the Centennial Mine. We observed the following well sites to be utilized and/or impacted by OSO: GVH sites 3, 4, 7, 7A, 8, 8A, 9, 11, 12, 13. The following developed well sites are no longer producing gas and have proven to be no value to OSO: GVH 1, 5, 5A, and 6. The following pad sites were developed, but no wells were been drilled before the mine went into cessation: GVH 12, 13, 14, 15, 16, 17. Pads 11, 12, and 13 were constructed in 2007. Well site 11 intercepts the works that were developed in panel 10 just prior to mine closure. The Permittee was advised to provide the Division with a post-mining land use change application such that the well sites utilized by OSO would be permitted by the Division's Oil & Gas program.

## **2. Signs and Markers**

No disturbed area perimeter markers were used to delineate the degasification well pads above the Mines. This item was noted in N10040 which was issued on July 6, 2009.

## **3. Topsoil**

As observed this day, none of the topsoil piles constructed at any of the well sites had been adequately protected from water erosion. There were no berms or silt fences installed along the toe perimeters of any piles. Silt fences had been installed at a distance from the toe, but in several cases these silt fences had been overtopped by sediment flow from the topsoil pile or from the breach pad berm (sites GVH-1, GVH-12, and GVH-13). In one case the topsoil pile had been partially demolished by a third party (GVH- 7 and 7A). In another case, the topsoil pile had been re-graded to accommodate the landowners viewshed (GVH 3). The Division was not consulted about any of the aforementioned site conditions in accordance with R645-301-234.240. The topsoil storage pile at GVH-5A had 1 ton bales of hay placed along the length of it, stacked three bales high to act as a sound barrier between the well methane pump and privately owned cabins in the adjacent woods. The prevention of compaction of this soil pile was not a consideration (See R645-301-234.220). No "topsoil storage" signs had been installed. Failure to Protect Topsoil was listed in N10040.

### **4.a Hydrologic Balance: Diversions**

Containment berms on several of the degasification well pads had been breached allowing sediment laden runoff to report from the disturbed area. The breached berm at GVH-1 had the largest erosion cut. Several other berms needed repair at other well sites. These failed diversion berms were listed under sediment control measures as part of the N10040 violation issued on July 6, 2009.

#### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The sediment pond cells were evaluated for integrity. The cells collect runoff from the disturbed area adjacent to the surface facilities of the mine. No maintenance was being done on the ponds. Only Pond E is cleaned when needed.

#### **4.c Hydrologic Balance: Other Sediment Control Measures**

At the GVH-1 well site, three silt fences which had been installed to treat runoff had been over topped, and some volume had bypassed around the end of the fences off site (sediment accumulation over vegetation, damp soil discoloration visible). All other well sites had silt fence installations which had been laid down by snow pack weight or which were at capacity; none had been repaired as of 7/2/09. This failure to maintain sediment control measures was listed as part of N10040. The approved mine plan states that the GVH disturbed area acreages will be minimized to reduce sediment loading (See page 5-10, section 532, Sediment Control of Appendix X). Pad 6 had been reduced in size, as observed from a distance and pointed out by Mr. Campbell. For the most part, however, this commitment was not adhered to, and a visual estimation determined that the pads are larger necessary for their present status and should be reduced in size. With no perimeter markers having been installed, the disturbed area may have been larger than necessary for construction.

#### **4.d Hydrologic Balance: Water Monitoring**

The ground water monitoring well at the Centennial Mine site was evaluated this day. The pump had seized, and had been pulled for repair. Monitoring has not occurred for several periods. The Permittee had Scamp Excavation on site this day to make preparation to attempt to drill out a blockage in the casing, in order to re-insert the pump and resume the required ground water monitoring activities. An alternate well, Well #3 will also be evaluated as a water source if Well #1 does not produce any groundwater. Well #3 is presently capped. Mrs. April Abate toured the Left Fork of Deadman Canyon with Dave Shaver. This is where a spring has been monitored. Mr. Shaver indicated that the flow from this "spring" was always assumed to be mine water and that the operator would have to shut off the pumps in the mine 24 hours prior to sampling. The spring could not be located. A second spring was looked at further down the road. A culverted drainage under the road was noted to have water in it, but it was not a sampling point. The Division will need to verify the locations and IDs of springs and water sources with Karla Knoop (Permittee's water monitoring contractor) at a future date.

#### **9. Protection of Fish, Wildlife and Related Environmental Issues**

See above comments on sediment control.

### **10. Slides and Other Damage**

As determined during the office discussion with the Permittee's representative on 7/2/2009, GVH well sites 12, 13, and 14 have been developed, but no wells were ever drilled. The pads lie over coal reserves which have not been developed via underground mining. The Permittee has been asked to evaluate these pads for possible future venting capability.

### **11. Contemporaneous Reclamation**

Reclamation needs to be initiated on well sites. Some of the wells are being used by OSO Energy and do not need to be reclaimed fully at this time. Partial reclamation is described in App. X, Section R645-301-240, pg. 2-10. Partial reclamation includes reducing the footprint of the disturbance required for well operation. The permittee was advised to submit a land use change for commercial/industrial use. However, all sites need to be either maintained or partially reclaimed to lessen the footprint reclaimed prior to the winter season.

### **12. Backfilling And Grading**

No reclamation activities have commenced relative to the eleven developed degasification wells. The Permittee has been asked to evaluate all well sites as to R645 Coal Mining Rule compliance and future venting of methane gas. N10040 requires that the Permittee reclaim well site GVH-1 by August 20, 2009. GVH-1 has been identified as having no future use for methane venting.

### **13. Revegetation**

Many of the GVH sites are starting to re-vegetate on their own mostly with undesirable weedy species. The topsoil pile at GVH-5A was well vegetated, although a straw bale sound barrier had been placed upon it. Musk thistle is developing at many of the well sites which is a Class B noxious weed. The permittee is required to implement a weed control program to control the noxious weeds in accordance with the Utah State Noxious Weed Act.

### **15. Cessation of Operations**

The operational status of the Centennial Project is unclear at this time, and as part of the mid-term permit review, the Division will require the Permittee to clarify whether the site is considered to be in temporary cessation, or permanent closure. The DOGM has received several letters from both the Permittee and the BLM / Utah State Office, and these documents lack specificity. All fans at Centennial have been shut down. The pumps have also been shut down. The mines are sealed, both at the longwall headgates and at the portals. The Deadman Canyon air shaft has a surface, cement cap, but not a permanent closure that would include a plug and backfilling.

### **16.a Roads: Construction, Maintenance, Surfacing**

It was necessary for the Permittee to grade the Deadman Canyon access road up to the degasification wells prior to today's inspection.

Permit Number: C0070019  
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**16.b Roads: Drainage Controls**

New excelsior logs had been installed along the de-gas well access road where road runoff is diverted.